



Iowa Medicaid Enterprise “Endeavors Update”

A Communications Effort to Strengthen Partnerships

October 2012

Terry E. Branstad, Governor
Kim Reynolds, Lt. Governor

Iowa Department of Human Services
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Special points of interest:

- ACO Grant Application
- Pharmacy Reimbursement Changes
- Physician Rate Increases
- Electronic Health Records Update
- ICD-10 Provider Readiness Survey Launched
- October is Disability Employment Awareness Month



Welcome to the October edition of the “*Endeavors Update*”. I’ve just returned from the Annual National Academy of State Health Policy (NASHP) conference. Attendees represented all 50 states and speakers included national officials and state officials from across the country. Health care policy continues to evolve quickly and we are able to learn more about success stories and best practices from our colleagues at these important meetings. On another important topic, October is state and national “Disability Employment Awareness Month”. Please join me and my colleagues at DHS as we celebrate the contributions that people with disabilities make in the work place and recognize the importance that earning a wage and moving towards self-sufficiency is for our fellow Iowans with disabilities who are living and working in our communities.

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Iowa Submits Grant Application for Accountable Care Organization

In late September the IME submitted a model design application to the Centers for Medicare and Medicaid Services (CMS) for a \$1.3 million grant to support planning and development of strategies to implement an Accountable Care Organization (ACO) model in Medicaid. The goal of the initiative is to provide affordable and accessible health care to families that results in better outcomes while holding down total health care cost growth. According to Medicaid Director, Jennifer Vermeer, “this initiative has the potential for improving value in the health care system and gives Medicaid the opportunity to align payment models with Wellmark.” A robust stakeholder process is envisioned with this process. Watch future editions of the “*Endeavors Update*” for additional information when it is available.

Pharmacy Reimbursement Anticipated February 2013

In 2012 the Iowa Legislature required the department to perform a cost of dispensing (COD) survey and implement an average actual acquisition cost (AAC) reimbursement methodology for all drugs (Senate File 2336, Section 33). Under this legislation, pharmacies that participate in the Medicaid program are required to complete the COD survey. Additionally, pharmacies must make drug acquisition cost invoice information available upon request. Any dispensing fee expenses

or acquisition cost information required to be submitted under this legislation that specifically identifies a pharmacy or provider's individual cost will remain confidential. The IME has worked closely with the Iowa Pharmacy Association and National Association of Chain Drug Stores regarding two separate, but related, projects (1) the COD survey, and (2) the average AAC reimbursement. These projects will be used for the new pharmacy reimbursement methodology. Under this new methodology, drug ingredient costs will be reimbursed based on average AAC and the dispensing fee will be based upon the COD survey results. The IME must obtain approval from the Centers for Medicare and Medicaid Services in the form of a State Plan Amendment for both projects. The anticipated implementation date for these changes is February 1, 2013.



Physician Rate Increases Anticipated in 2013

The Affordable Care Act requires state Medicaid programs to provide increased payments for certain primary care services as identified by the federal Centers for Medicare and Medicaid Services (CMS). The increased payment amounts will be above the otherwise applicable fee schedule amounts for these services under the Medicaid program. The increased payment amounts will be those currently payable under the Medicare program (in Iowa). The increased payments are in effect for calendar years 2013 and 2014 only. **CMS has not yet issued a final rule, nor provided additional guidance, that will be needed before this increased payment can be implemented.** The physician specialties to which the increased payments apply are family medicine, general internal medicine, and pediatric medicine. Verification of a given physician's designation as one of these specialty types will be based on either evidence of board certification in these specialties or on the Medicaid program's analysis of claims to verify that at least 60 percent of the services rendered/billed by these physicians and paid by Medicaid were for primary care services to be identified by CMS. Once the IME receives formal guidance from CMS additional information and updates will be provided.





Best wishes to Kelly Peiper, the HIT Incentive Coordinator since the launch of the program, who is leaving to work on other projects.

Assuming Kelly's role as the Medicaid HIT Coordinator is Todd Hong, Operations Manager for Provider Services. The change was effective September 24.



EHR Incentive Program: Nearly \$50 million paid

Electronic Health Records (EHRs) collect, store and exchange health information, including patient history, medications, allergies and laboratory tests. Certified EHRs meet meaningful use requirements defined in federal regulation. "Meaningful use" refers to those core and menu measures that providers must achieve to receive an incentive payment and to avoid Medicare penalties beginning in 2015. The IME EHR Incentive Program began January 4, 2011. Iowa was one of the first four states to launch the program. As of September 18, 2012, the IME has paid nearly \$50 million to 961 eligible professionals and 79 hospitals. Many of these have already received their year two payments. Adding incentive payments Medicare has made to Iowa providers, over \$100 million in incentive payments have come into the state.

The IME recognizes that there are health care providers that do not qualify for the incentives and is researching the technical assistance needs of those providers. While financial assistance may not be possible, the IME hopes to provide other support to additional care team providers who want to move to EHRs. The IME's goals from health information technology include improving administrative efficiencies and containing costs, improving quality outcomes for members, and improving member wellness. The IME is identifying tools, including member portals and member alerts, to track the effectiveness of the technology. The IME is also planning to measure the impact of health information technology on health care costs. Now is an exciting time for health care transformation and the IME is pleased to be at the forefront and in a unique position to lead the charge as a partner with our providers.

Medical Director's Minute

Iowa Medicaid Medical Director, Dr. Jason Kessler, writes a monthly column on topics of interest. October's Medical Minute explains the Electronic Health Records Incentive Program. Link to the column at:

<http://www.dhs.state.ia.us/uploads/Medical%20Directors%20Minute%20Oct%202012.pdf>



"Partners for Better Health and Wellness" Member Newsletter

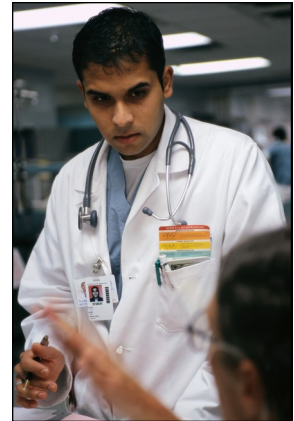
The mission of the quarterly member newsletter is to inform Medicaid members about items of interest such as new programs and to provide health tips. The fall 2012 edition is available now and includes stories about Health Homes, managed health care reminders, advance directives and flu shots.

Link to the newsletter at:

http://www.dhs.state.ia.us/uploads/MemberNewsletter_2012Fall.pdf

Enhanced Provider Screening and Enrollment

To strengthen the integrity of the federal programs for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP), the Patient Protection and Affordable Care Act requires new and expanded screening and enrollment processes affecting all providers. The Iowa Medicaid Enterprise (IME) must screen enrolling and re-enrolling providers according to the categorical risk level of their provider type (physician, durable medical equipment, etc.). The IME is currently screening all providers according to the limited risk category requirements, including those providers who are renewing with the IME. In November, the IME will implement the required screening procedures on provider types in the moderate risk category. New requirements also mean that providers must disclose certain ownership, control, and criminal background information about the enrolled entity. The IME is now gathering this information as new providers complete an application and as existing providers go through enrollment renewal. See the following Information Letters for more details: [IL 1128](#) and [IL 1166](#). Although the IME is working to become compliant with the ACA requirements full implementation cannot occur without authority from the Iowa Legislature. Legislative authority will be requested in the 2013 legislative session. Additional information will be released as the IME implements different phases of this project.



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ICD-10 Provider Readiness Survey Launched

The IME is conducting this **ICD-10 Provider Readiness Survey** to determine if organizations are impacted by the change to the ICD-10 code sets and to gauge their current readiness for implementation. The information gathered from this survey will be shared within the IME to support a successful implementation of the ICD-10 code sets. On January 16, 2009, the U.S. Department of Health and Human Services (HHS) released the final rule mandating that everyone covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must implement ICD-10 code sets for medical coding on October 1, 2013. On August 24, 2012, the HHS announced that it would delay the ICD-10 compliance date by one year to October 1, 2014. The change in the compliance date gives providers and other covered entities more time to prepare and fully test their systems to ensure a smooth and coordinated transition to these new code sets. The IME continues to prepare for the implementation of ICD-10 by reviewing policy and preparing for updates to medical coverage, rules, operational procedures, and technical systems and intends to conduct external end-to-end testing with providers between October 2013 and October 2014. The IME urges providers to continue forward with their ICD-10 projects and to ensure plenty of time for robust testing of ICD-10 claims alongside production of ICD-9 claims beginning in the final quarter of 2013. This will ultimately ensure a smooth transition to ICD-10. Watch the November edition of the "Endeavors Update" for information about the results of the survey.

If you have any questions on ICD-10 please send an email to: icd-10project@dhs.state.ia.us

For more information, please visit the ICD-10 website:

<http://www.ime.state.ia.us/Providers/ICD10.html>



“Facilities see Iowa Medicaid as a partner in delivery of services.”

*Jan Jordan
Medical Services
Operations Manager*

Annual Onsite Reviews Explained: “Overall Focus on Quality”

The Medical Services Unit is the IME unit that conducts medical necessity and quality of care reviews of Medicaid services provided to members. Within the Medical Services Unit, the Long Term Care Behavioral Services team completes onsite reviews of all Medicaid members residing in Psychiatric Medical Institutions for Children (PMIC) and Intermediate Care Facilities for the Intellectually Disabled (ICF/ID) to ensure that the facilities are in compliance with federal regulations and that members are engaged in active treatment. Team members are psychiatric nurses and/or Qualified Intellectual Disability Professionals (QIDPs). While they ensure that the state is fully compliant with federal requirements as outlined in the Code of Federal Regulations, they also observe each member to ensure that the member’s health and social needs are met.

Facilities have made great improvements in the four years since the annual onsite review process began. Initial concerns included inconsistent follow-up on reported illnesses, injuries and medications; incomplete assessments and lack of discharge planning. Reviewers provided technical assistance to help the facility improve processes, ensure interventions were appropriately documented and member safety was assured. After each review, facilities are given a detailed report including a score for compliance and guidance to improve future scores. Code references are provided giving facilities needed tools to implement quality improvement. Facilities substantially out of compliance must submit a corrective action plan and a follow-up review is completed. The need for a corrective action plan is rare now.

The overall focus of the review is based on quality and many successes are evidenced, such as:

- Identified members being re-located to more appropriate, less restrictive settings
- A facility nurse reported receiving positive feedback from the Department of Inspections and Appeals on her documentation after receiving technical assistance
- A PMIC facility re-designed their assessment form to ensure complete child, family and resource evaluations
- A program implemented day habilitation activities for more severely disabled members
- Facilities revised tracking of medical appointments to ensure follow-up and safety

Facility staff members see themselves as partners with the IME team as they regularly request assistance and work together to ensure the health and safety of the vulnerable population they serve.

TransitCare for IowaCare Members Ends in Current Form on September 30

Unfortunately, the program created to help IowaCare members access transportation to pharmacy visits and medical appointments has ended in its current form due to the high cost of service and limited funds. The Office of Public Transit within the Iowa Department of Transportation created the “TransitCare” program in April 2012. The DOT is exploring alternative funding sources to tap special project funding for individual transit agencies, and they hope that utilizing special project funds, mobility management resources, coordination efforts and creative local funding sources, the Transit Cares service can continue through the state until December 31, 2013. At the time of this writing, the DOT reports that “we have 6 transit regions in the state that will be continuing the TransitCare transportation program for IowaCare members.”

“We thank the DOT for their efforts and understanding that transportation remains a hurdle for many IowaCare members”

Iowa Medicaid Director
Jennifer Vermeer

Here is a list of who is still participating:

Region 4 – Siouxland Regional Transit System
Region 6 – PeopleRides
Region 11 – HIRTA
Region 12 – Western Iowa Transit System
Region 16 – SEIBUS
DART – Des Moines / Polk County

Details of the regions can be found at:

<http://www.iowadot.gov/transit/agencies.html>

Managed Care Expansion Update & New Handbook

Since March 2012, Meridian Health Maintenance Organization (HMO) of Iowa has been a medical managed care option for Medicaid members effective on the dates noted for the counties below:

Muscatine	March 1
Clinton	May 1
Benton	July 1
Linn	September 1
Black Hawk	November 1
Polk	November 1

HMO enrollees do not have copayments for covered services and may take advantage of support programs offered by the HMO. As of October 4, 2012, the HMO has approximately 9,450 members in the active counties. The HMO is continuing its research into the potential for providing services in additional counties. Medicaid members and those of you who serve members can access more information, including a handbook updated in August, at:

<http://www.dhs.state.ia.us/uploads/Comm%20218%20revamp%2008.2012.pdf>

Medicaid Projections: Decrease in FMAP Larger Than Expected

The Medicaid forecasting group met in September to update the FY 2013 – FY 2015 Medicaid estimates. The midpoint estimates established at this meeting are provided below.

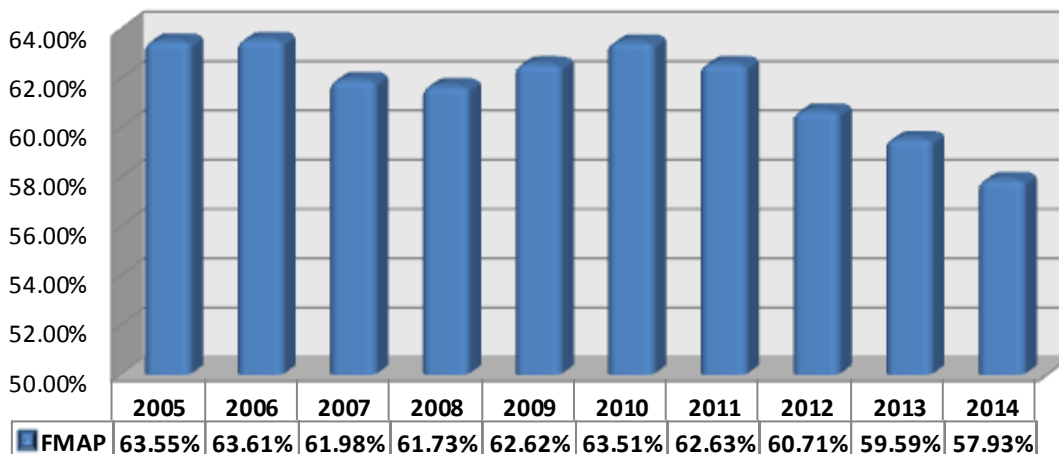
	Medicaid Forecasting Group Midpoint Estimates		
	FY 2013	FY 2014	FY 2015
State Revenue	\$1,353,994,209	\$1,321,689,145	\$1,313,275,016
State Expenditures	\$1,398,994,209	\$1,479,689,145	\$1,547,275,016
Year-End Balance	(\$45,000,000)	(\$158,000,000)	(\$234,000,000)

Incorporated into the FY 2014 estimate is the final Federal Medical Assistance Percentage (FMAP) rate, which was published in September. The September report shows that Iowa's FMAP will drop from 59.59% in federal fiscal year (FFY) 2013 to 57.93% in FFY 2014. The decrease is larger than anticipated, and is expected to increase FY 2014 state costs by \$53 million. The previous estimate assumed a state spending increase of \$35 million as a result of the FMAP change, so this final data increases the anticipated FY 2014 Medicaid shortfall by an additional \$18 million.

The FMAP formula is based on a three-year average of state per capita personal income compared to the national average. A state's FMAP will decline when its per capita personal income growth increases relative to the national average. Below is a 10-year history of Iowa's FMAP.

The FMAP is the percentage of federal dollars given to support a state's Medicaid program.

**Iowa Medicaid
Federal Medical Assistance Percentage
FFY 2005 - FFY 2014**



Note: Temporary FMAP increases are not reflected.

October is Disability Employment Awareness Month

Governor Branstad issued a proclamation that October is “Disability Employment Awareness Month” in Iowa, as it is across the nation. The national theme for 2012 is “A Strong Workforce is an Inclusive Workforce: What can YOU do?” The United States Department of Labor has resources about creating inclusive workplaces.



<http://www.dol.gov/odep/topics/ndeam/>

Did you know that Iowa Medicaid is a partner in a variety of disability employment efforts including the Medicaid Infrastructure Grant (MIG), Money Follows the Person, the State Employment Leadership Network and the Employment First Initiative? And that, **In Iowa, for every \$1.00 taxpayers spend on supported employment for individuals with intellectual disabilities, \$1.62 is returned in the form of taxes paid and reduced government subsidies.** (*American Journal of Intellectual and Developmental Disabilities* 115 (1),201, 19-29) Employment for Iowans with disabilities allows individuals to use their talents and skills, contribute to their communities, earn a wage and move towards self-sufficiency.

Regular Feature: Informational Letters

The Iowa Medicaid Enterprise publishes provider bulletins, also known as informational letters, to clarify existing policy details or explain new policy. Bulletins are posted on a website. The “*Endeavors Update*” will highlight information letters released in the preceding month. Topics of the September 2012 informational letters included:

- Adult Day Care and Prevocational Units of Service (IL#1164)
- Update on the Atypical Code Conversion Project (IL#1165)
- Enrollment Renewal 2012—2nd Notice (IL#1166)
- Update to the Medicare Hospital Acquired Conditions (HACs) (IL#1167)
- Implementation of the Iowa Medicaid Recovery Audit Contractor (RAC) (IL#1171)
- Special Accommodation Capability Available For Dental Providers (IL#1172)
- Reimbursement Changes for Pharmacy and Important Dates # 3 (IL#1173)
- Iowa Medicaid Pharmacy Program Changes (IL#1174)
- Iowa Health Information Network Services for Reporting Clinical Quality Measures (IL#1177)
- Iowa Medicaid Enterprise ICD-10 Provider Readiness Survey (IL#1178)

View the complete list of informational letters by year at:

<http://www.ime.state.ia.us/Providers/Bulletins.html>

Home and Community Based Services Quality Oversight Initiative

The Iowa HCBS Medicaid program provides waiver services to individuals who would otherwise require services in a facility. The HCBS program allows federal rules to be “waived” and for members to receive services and supports necessary to remain in their homes and communities. On June 1, 2012, the Department of Human Services announced Telligen as the successful bidder for the new HCBS Quality Oversight contract. The IME HCBS Quality Oversight program is responsible for ensuring that members receiving HCBS are provided quality services. On a regular basis HCBS Specialists complete onsite reviews with HCBS provider agencies to ensure compliance with all state and federal rules. In addition to regular onsite reviews, the HCBS Quality Oversight team provides technical assistance to providers, researches and addresses complaints, monitors and coordinates HCBS incident reporting activity, and manages HCBS waiver program slots and waiting lists. A new HCBS Quality Oversight initiative includes collaborative efforts between Medicaid and the Division of Mental Health and Disability Services. This collaboration combines resources and creates efficiencies in oversight of providers, reducing administrative interruption to providers and focusing provider efforts more appropriately toward serving members receiving HCBS. Watch for future articles related to HCBS in upcoming newsletters.

A complete list of HCBS Quality Oversight contacts and specialists by region can be found at:

http://www.ime.state.ia.us/docs/HCBS_SpecialistsRegions.pdf.

Iowa Department of Human Services
Charles M. Palmer, Director
Jennifer Vermeer, Medicaid Director



Iowa Medical Assistance Advisory Council

Please join us for the next meeting of the MAAC. The Council’s purpose is to “advise the Director about health and medical care services under the medical assistance program.” Webinar and phone conference available. If you are able to attend, please rsvp to the Director’s Assistant, Maggie Reilly, at mreilly@dhs.state.ia.us

November 14th at 1:00 p.m.
Historical Building
3rd Floor West, Classrooms A & B

Find Us on the Web!
www.ime.state.ia.us/MAAC/index.html



Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.

We're on the web!

<http://www.ime.state.ia.us/>

Comments, Questions or Unsubscribe
Please email:
IMENewsletter@dhs.state.ia.us

The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with “best of breed” contractors into a performance-based model for administration of the Medicaid program.

The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4 billion. The \$4 billion funds payments for medical claims to over 38,000 health care providers statewide.

Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 650,000 Iowans, or 21%, of the population in State Fiscal Year 2013.

Iowa Medicaid Upcoming Events:

November 8 Pharmaceutical & Therapeutics Committee

November 14 Medical Assistance Advisory Council (MAAC)

December 5 Drug Utilization & Review

December 17 *hawk-i* Board Meeting

Link to the DHS Calendar at:
<http://www.dhs.state.ia.us/DHSCalendar.html>

This update is provided in the spirit of information and education.

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